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FOR IMMEDIATE RELEASE

Terry Goddard Presses Need for Price-Gouging Protection

(Phoenix, Ariz. - September 2, 2005) Attorney General Terry Goddard today called soaring gasoline prices in Arizona unjustified and said they underscore the need for an anti-gouging law which the state Legislature has twice rejected.

"A national tragedy is being exploited by an industry that is already reaping record profits," Goddard said. "Pump price increases this week of 30 cents or more a gallon in this state are not justified by Hurricane Katrina or the higher cost of crude oil. Gasoline sold in Arizona does not come from the Gulf Coast, and the gas being pumped today was in the pipeline long before the hurricane hit. Consumers deserve more protection from this kind of profiteering."

Goddard said he will reintroduce anti-gouging legislation next year. His proposal, which would trigger enforcement if the governor declared an emergency, was turned down in the past two legislative sessions. More than half of the states have price-gouging laws. They include Florida, where Attorney General Charlie Crist, a Republican, has aggressively enforced its statute.

"Without an anti-gouging law, Arizona has very limited legal ability to protect consumers from unreasonable increases," Goddard said. "This law also would have a deterrent effect, giving companies stronger incentive to be sure their higher prices can be justified. The oil companies should stop playing 'Can You Top This' and stick with the rules of supply and demand."

Goddard also announced that he is joining a task force of attorneys general that will explore a multi-state inquiry into the sudden surge in gas prices. The action follows a nationwide conference call with his colleagues Thursday devoted to gas prices.

Goddard emphasized he is not advocating price controls on gasoline. He did, however, call on the federal government to do more to restrain price hikes.

"Federal officials should be using their legal and persuasive powers to put downward pressure on gas prices," Goddard said. "The Energy Department, Federal Trade Commission and other agencies with jurisdiction need to do whatever they can to hold the oil companies, refiners, wholesalers and retailers accountable."

The Attorney General's Office will continue to monitor gas price increases and look for any evidence that there have been violations of the state's antitrust statutes.

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